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Ethiopia

Post: Addis Ababa

Ethiopia Tenders for Imported Milling Wheat

Report Categories:

Grain and Feed

Approved By:

Michael G. Francom, Ag Counselor

Prepared By:

FAS/Addis

Report Highlights:

In mid-January, Ethiopia cut the size of its earlier-announced milling wheat tender of 720,000 metric tons to 400,000 metric tons. The likely reason for reducing the tender size is the anticipated increase in wheat production from this past harvest and available wheat stocks. Post is currently projecting wheat imports this year (Sep '16-Oct '17) to be between 1.0- 1.5 million metric tons.

General Information:

In mid-January, the Government of Ethiopia (GOE), which controls commercial wheat imports into the country, reduced its earlier tender (announced on January 3) for 720,000 metric tons of imported milling wheat down to 400,000 metric tons. Bids are due February 4. The imported milling wheat will be used to make subsidized bread, most of which is said to be sold in Addis Ababa.

The likely reason for reducing the tender size is the anticipated increase in wheat production from this past harvest and currently available wheat stocks. Post expects production of wheat and other cereals this year (Sep '16-Oct '17) will remain below pre-drought levels because of the residual effects of last year's drought, said to be the worst drought in 50 years.

Meanwhile, according a January 12 ENA press report, the Prime Minister said that wheat imports were going to come to an end because agricultural production this year had improved from the previous year. However, the government's timeline for stopping wheat imports is unclear, considering the newly-revised tender for 400,000 metric tons of milling wheat and the country's [current emergency food needs](#), much of which has been satisfied in the past with imports of wheat by humanitarian partners and the GOE.

Post expects that Ethiopia will import wheat for the foreseeable future because consumer demand is projected to continue outstripping local wheat supplies. This year (Sep '16-Oct '17), wheat imports, which includes GOE purchases and outside food aid, are forecast to be between 1.0-1.5 million metric tons, down from last year's record of approximately 2.6 million metric tons.